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Financing of the United Nations Observer Mission in Georgia

**Financial performance report of the United Nations
Observer Mission in Georgia for the period from 1 July
2008 to 30 June 2009 and proposed revised budget of the
United Nations mission for the period from 1 July 2009
to 30 June 2010**

**Report of the Advisory Committee on Administrative and
Budgetary Questions**

Appropriation for 2008/09	\$34,484,200
Expenditure for 2008/09	\$33,982,200
Unencumbered balance for 2008/09	\$502,000
Initial appropriation for 2009/10	\$15,000,000
Proposed revised estimates for 2009/10	\$10,946,000
Projected expenditure 2009/10 ^a	\$10,760,100
Estimated unencumbered balance for 2009/10 ^a	\$186,000
Recommendation of the Advisory Committee for 2009/10	\$10,946,000

^a Estimates as at 30 September 2009.



I. Introduction

1. The documents reviewed and used for background by the Advisory Committee in its consideration of the financing of the United Nations Observer Mission in Georgia (UNOMIG) are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2008 to 30 June 2009

2. The General Assembly, by its resolution 62/260, appropriated an amount of \$34,484,200 gross (\$32,070,500 net) for the maintenance of UNOMIG for the period from 1 July 2008 to 30 June 2009. In that connection, the Security Council, in resolution 1866 (2009), decided to extend the mission for a new period, terminating on 15 June 2009. Expenditures for the period totalled \$33,982,200 gross (\$31,468,700 net). The resulting unencumbered balance of \$502,000 gross (\$601,800 net) represents, in gross terms, 1.5 per cent of the appropriation. The resources provided for 136 military observers, 20 United Nations police personnel, 114 international staff, 212 national staff (including 1 temporary position) and 1 United Nations Volunteer. An analysis of key resource variances of the mission's underexpenditures and overexpenditures is provided in section IV of the performance report (A/64/463).

III. Proposed budget for the period from 1 July 2009 to 30 June 2010

A. Mandate

3. The mandate of UNOMIG was established by the Security Council in its resolution 858 (1993) and expanded in its resolution 937 (1994). The Council, by its resolution 1866 (2009), decided to extend the mandate of the mission until 15 June 2009. The mandate was not extended by the Council beyond that date.

B. Financial information

4. The Advisory Committee was informed that a total of \$396,334,000 had been assessed on Member States in respect of UNOMIG since its inception. Payments received as at 30 September 2009 amounted to \$387,428,000, leaving an outstanding balance of \$8,906,000. As at 19 October 2009, the cash position of the mission was \$4,000,000, including a loan in the amount of \$3 million from the accounts of the United Nations Protection Force. The three-month operating reserve amounts to \$2,886,000 and the remaining available cash balance amounts to \$1,115,000. **The Committee reiterates its concern over the precarious financial situation of the mission, in particular in view of the fact that it was closed as at 31 October 2009. The Committee notes that the accounts of the mission will remain open until all financial transactions, including the outstanding loan, have been settled.**

5. The Advisory Committee was informed that, as at 30 September 2009, an estimated amount of \$200,000 was owed for contingent-owned equipment reimbursements. In respect of death and disability compensation, \$426,000 had been paid for nine claims since the inception of UNOMIG and no claims were pending.

C. Resource requirements

6. The initial budget for the mission for the period from 1 July 2009 to 30 June 2010, as contained in the report of the Secretary-General on the financing of the mission dated 15 January 2009 (A/63/684), amounted to \$38,838,500 gross (\$36,295,700 net). Following the decision by the Security Council, in its resolution 1866 (2009), to extend the mission until 15 June 2009, the General Assembly, in its resolution 63/293, appropriated an amount of \$15 million for the mission for the period from 1 July to 31 December 2009 and decided to apportion among Member States the amount of \$10 million for the period from 1 July to 31 December 2009. The Assembly also requested the Secretary-General to submit the administrative liquidation budget for the mission for consideration by the Assembly at the main part of its sixty-fourth session. In view of the fact that the mission's mandate was not extended beyond 15 June 2009, the proposed revised budget for the liquidation period from 1 July to 31 October 2009 amounts to \$10,946,000 gross (\$10,012,500 net).

7. As indicated in the budget document, the proposed revised budget reflects the actual deployment of military, United Nations police, international and national staff as at 1 July 2009. It provides for the repatriation of the 103 military observers and the 13 United Nations police officers who were present in the mission area as at 1 July 2009, the reduction of 98 international staff and the separation of 203 national staff (including 1 temporary position), as well as for the administrative liquidation of the mission during the four-month period from 1 July to 31 October 2009 (A/64/464, para. 5).

1. Military and police personnel

Category	Planned reduction			
	July 2009 ^a	August 2009	September 2009	October 2009
Military observers	103	5	5	0
United Nations police	13	0	0	0

^a Represents the highest authorized strength for the period.

8. The initial apportionment for military and police personnel for the financial period 1 July 2009 to 30 June 2010 amounted to \$670,700; the revised estimates amount to \$456,300, a reduction of \$214,400. The reduction is due to the repatriation of military observers and United Nations police, inclusive of payment of mission subsistence allowance. The Advisory Committee was informed that the repatriation of military and police personnel and their equipment proceeded as planned and that all personnel had been repatriated as at 30 September 2009.

2. Civilian personnel

Category	July 2009	August 2009	September 2009	October 2009	1 November 2009
International staff	95	70	50	30	0
National staff	201	137	31	0	0
Temporary positions (national)	1	1	0	0	0
Total	297	208	81	30	0

9. The initial apportionment for civilian personnel for the financial period 1 July 2009 to 30 June 2010 amounted to \$10,274,000; the revised estimates amount to \$7,803,300, a reduction of \$2,470,700.

10. The Advisory Committee was informed that: 80 civilian international staff have been reassigned to other peacekeeping operations; 15 have been repatriated; and 3 transferred to the follow-up Georgia operation. A total of 203 national staff have been separated and 202 have been paid termination indemnity; due to the terms of appointment under general temporary assistance, one national staff member was not eligible for the payment of termination indemnity.

11. The initial apportionment for general temporary assistance for the financial period 1 July 2009 to 30 June 2010 amounted to \$96,000; the revised estimates amount to \$327,200, an increase of \$231,200 (240.8 per cent). The increased requirements are due to the replacement of national staff, mainly in the months of September and October 2009, with individual contractors to assist in the administrative liquidation of the mission and for one temporary national General Service staff member for four months. The Advisory Committee was informed that the individual contractors hired were newly hired individuals whose skill sets were commensurate with the work required in connection with liquidation activities. In September, 90 former UNOMIG national staff were rehired as individual contractors under general temporary assistance, and 50 were rehired in October, for the purpose of mission liquidation.

12. The resources required for the payment of termination indemnity are included under the national staff category, for which the revised estimates amount to \$2,971,500, a reduction of \$411,300 from the initial apportionment for 2009/10. The Advisory Committee was informed that an amount of \$2,078,161 (gross) had been accrued in respect of indemnity payments; the final amount would be reported in the performance report for the period 2009/10.

13. The Advisory Committee was further informed that contracts were terminated before the end of the liquidation period in order to enable the mission to complete the processing of pension benefits since pension entitlements, personnel separation notification and pension fund reports were to be finalized for action of the United Nations Joint Staff Pension Fund (UNJSPF) prior to the end of the field liquidation period. The Committee was informed that, in order to ensure that UNJSPF would be able to address pension payments while the mission was in the process of liquidating, staff had been terminated in the last two months of the liquidation period and 90 had been placed under general temporary assistance contracts, thus ensuring that their pension reconciliations would be completed. The Committee was informed that the United Nations Staff Rules do not prohibit the re-employment of former staff, who were terminated for reasons of abolishment of post or reduction of staff, as individual contractors.

3. Operational costs

(United States dollars)

<i>Initial apportionment 2009/10</i>	<i>Revised estimates 2009/10</i>	<i>Variance</i>
4 055 300	2 686 400	(1 368 900)

14. The initial apportionment for operational costs for the financial period 1 July 2009 to 30 June 2010 amounted to \$4,055,300; the revised estimates amount to \$2,686,400, a reduction of \$1,368,900 (33.8 per cent).

15. The reduced estimates are attributable mainly to lower requirements in connection with the drawdown of the mission under: (a) consultants, for which no resources were required; (b) facilities and infrastructure, owing to fewer months of required maintenance services, the termination of rental contracts, and the non-provision of maintenance services for roads and bridges, which was partially offset by the provision of \$350,000 for dismantling and restoration of facilities in Gali and Zugdidi to their original condition; and (c) air transportation, owing to a lower number of flight hours during the liquidation period and the termination of contracts for fixed-wing aircraft and helicopters.

16. The initial apportionment for official travel for the financial period 1 July 2009 to 30 June 2010 amounted to \$103,300; the revised estimates amount to \$339,200 or an increase of \$235,900 (228.4 per cent). The budget document indicates that the increased requirements are attributable to implementation of new conditions of service for staff in non-family missions, pursuant to General Assembly resolution 63/250. As a result, staff who are required to travel on official business within a mission area receive payment of daily subsistence allowance instead of mission subsistence allowance. The revised estimate also includes a provision for 181 trips within the mission area and 18 trips outside the mission area.

17. Upon enquiry, the Advisory Committee was provided with a breakdown of non-training travel requirements for travel within the mission area, as follows:

Official travel (non-training)

1 July 2009 to 30 June 2010

(Thousands of United States dollars)

Breakdown of travel requirements by component (Within the mission area)

Executive direction and management

	<i>Purpose of travel</i>	<i>Number of trips</i>	<i>Total</i>
Gali	Chairing meeting of the parties	4	1 272.0
Gali	Meetings of the parties	4	1 272.0
Sukhumi	Exit travel	1	1 060.0
	Subtotal	9	3 604.0

Component 1: Support

<i>Purpose of travel</i>		<i>No. of trips</i>	<i>Total</i>
Tbilisi	Administrative/technical support: office of the Chief/mission support	16	13 568.0
Tbilisi	Administrative/technical support: air operations	1	7 420.0
Zugdidi	Administrative/technical support: communications and information technology section	30	15 900.0
Tbilisi	Administrative/technical support: procurement	4	5 088.0
Zugdidi	Administrative/technical support: security	7	22 260.0
Zugdidi	Administrative/technical support: transport	6	1 272.0
Zugdidi	Administrative/technical support: engineering	40	12 720.0
Zugdidi	Administrative/technical support: General Services	20	4 240.0
Zugdidi	Administrative/technical support: Mission support	48	152 640.0
Subtotal		172	235 108.0
Total		181	238 712.0

IV. Other comments and observations**A. Liquidation activities**

18. The Advisory Committee was informed that the Department of Field Support assumed the lead role in the liquidation process and that a working group had been established at Headquarters in New York which was responsible for delivering coordinated advice and integrated support services. The Committee was also informed that the established integrated operational team played a central role and acted as a coordinator of the political, financial and logistical aspects during the liquidation process. The Committee will provide its comments on the liquidation of UNOMIG in the context of the report on the final disposition of assets.

B. Lessons learned

19. The Advisory Committee points out that, while each field mission operates under its own unique circumstances, there are similarities among missions. The Committee trusts that the experience gained in the operation of UNOMIG, including the liquidation exercise, will be recorded and appropriately evaluated to serve as a valuable lessons learned guideline for other field missions.

V. Conclusion

20. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2008 to 30 June 2009 are indicated in paragraphs 33 (a) to (d) of the performance report (A/64/463). **The Advisory Committee recommends acceptance of the Secretary-General's proposals.**

21. The actions to be taken by the General Assembly in connection with the revised estimates of UNOMIG for the period from 1 July 2009 to 30 June 2010 is indicated in paragraphs 30 (a) and (b) of the proposed revised budget (A/64/464). **The Committee recommends acceptance of the Secretary-General's proposals.**

Documentation

- Performance report on the budget of the United Nations Observer Mission in Georgia for the period from 1 July 2008 to 30 June 2009 (A/64/463)
- Revised budget of the United Nations Observer Mission in Georgia for the period from 1 July 2009 to 30 June 2010 (A/64/464)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report of the United Nations Observer Mission in Georgia for the period from 1 July 2007 to 30 June 2008 and proposed budget of the United Nations mission for the period from 1 July 2009 to 30 June 2010 (A/63/746/Add.6)
- Budget of the United Nations Observer Mission in Georgia for the period from 1 July 2009 to 30 June 2010 (A/63/684)
- General Assembly resolution 63/293 on the financing of the United Nations Observer Mission in Georgia
- Security Council resolution 1866 (2009)